



Providing Global Development Solutions

**UGANDA COTTON SECTOR  
REVIEW OF COMPETITIVENESS  
STRATEGIES  
Final Report  
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## **Acronyms**

**ACP/EU** - African-Caribbean-Pacific/European Union  
**AGOA** – African Growth and Opportunities Act  
**CARANA** – CARANA Corporation, Inc.  
**CDO** – Cotton Development Organization  
**COMESA** – Common Market for Eastern and Southern Africa  
**COP** – Chief of Party  
**CRDB** - Centenary Rural Development Bank  
**CSAWG** – Cotton Sector Advisory Working Group  
**CSS** – Cotton Sector Strategy  
**CTO** – Cognizant Technical Officer  
**DCA** - Development Credit Authority  
**EC** – European Community  
**ECA-FTA** – The East African Community Free Trade Agreement  
**EU** – European Union  
**GDP** – Gross Domestic Product  
**GOU** – Government of Uganda  
**IDEA** – Investment in Developing Export Agriculture  
**IPM** – Integrated Pest Management  
**ISP** – Integrated Strategic Plan  
**MAAIF** – Ministry of Agriculture Animal Industry & Fish  
**MCI** – Ministry of Commerce Industry  
**MPED** – Ministry of Finance Planning & Development  
**MLWE** - Ministry of Lands, Water, and the Environment  
**MTCS** - Medium-Term Competitive Strategy  
**NAADS** – National Agricultural Advisory Development Services  
**NARO** – National Agricultural Research Organization  
**PEAP** - Poverty Eradication Action Plan  
**PMA** – Plan for Modernization of Agriculture  
**PS** – Private Sector  
**SAARI** – Serere Agricultural & Animal Production Research Institute  
**SO7** – Strategic Objective Number 7; USAID  
**SPEED** – Support for Private Enterprise Expansion & Development  
**STRATEX** - Strategic Exports Initiative  
**TFEC**- Task Force on Export Competitiveness  
**UDB** – Ugandan Development Bank  
**UGCEA** – Uganda Ginners & Cotton Exporters Association  
**UIA**- Uganda Investment Authority  
**URA**- Uganda Railroad Authority  
**UTMA** – Uganda Textile Manufacturers Association  
**UTRADE** –Uganda Trade Revitalization & Diversification of Exports  
**USA** – United States of America  
**USAID** – United States Agency for International Development  
**WTO** – World Trade Organization

## **I. EXECUTIVE SUMMARY**

### **PURPOSE:**

The purpose of the assignment set forth in this report was to:

- Review the Cotton Competitiveness Strategies supported by USAID/Uganda under the CSS Project;
- Identify opportunities to further public-private dialogue between the Cotton Cluster and the GOU; and,
- Identify specific implementation activities to further cluster development during the “transition period”.

### **METHODOLOGY:**

The methodology involved four key steps:

- A review of relevant documents,
- Interviews with cluster stakeholders,
- Field visits for observation of activities; and,
- A meeting of the CSAWG.

### **KEY FINDINGS:**

The present strategy being pursued by GOU and the private sector for reviving the cotton and textile sector is to reestablish vertical integration (producer- ginner-spinners-fabrics-garments) of the sector to serve domestic and international markets. The CSS supports this approach. To accomplish this, two thrusts were considered of immediate focus by the CSS. First, re-establishment of profitable high quality abundant cotton production and its effective ginning. Second, the development of apparel production to meet opportunities offered by domestic and international markets, particularly those offered by AGOA for specialty high quality items that can stand the transportation cost disadvantage from Uganda to export markets. To accomplish this thrust it will be necessary to develop a reliable supply of Uganda produced fabric.

### **Implementation of the Proposed Strategies:**

- The underlying assumptions and enabling environment seem to have improved since mid 2002;
- The strategy action items are being implemented with mixed success, because some suggested interventions are going ahead positively, while others have not yet been initiated;
- Production increases and productivity improvements are not progressing as rapidly as hoped, due to budgetary & weather constraints;

- Value added activities are steadily advancing, and perhaps more rapidly than originally envisioned.

#### **Production Action Steps:**

- CDO and the ginners realized distribution of agricultural chemicals, and the production, delinting/grading and distribution of seed, to plant 250,000 acres.
- In 2002 twenty-three (23) block farms were established, initiating expansion of block farming.
- Efforts are being made to mobilize and sensitize farmers to the importance of producing cotton of consistent high quality that will benefit the nation and themselves.
- Efforts are being made to reinforce quality control programs at both farm and gin level.
- NARO cotton research efforts are trying to keep abreast of the need for new and improved seed and production practices, but with shortfalls in funding, have not been able to accomplish all their targets.
- In 2002, nine hundred (900) demonstration-plots (three hundred (300) in the East, and six hundred (600) in the West) funded by USAID were under cultivation. The farmers have learned substantial and many are now ready to adopt the newly demonstrated practices. In 2003 SPEED expects to increase the number of plots to 2700.
- Some technical and market information is being provided by CDO and Ginners, but more will be required as farmers become aware of international market influences.

#### **Ginning Action Steps:**

- Utilization of gins is still low at 30%, but efforts are being made to improve, but until cotton production increases they will remain low.
- New entrants are coming into the industry. Both local & international investments are being made; Mudu Awulira (Uganda), Dunavant (USA), Clark (South Africa), NC Enterprises (India). These investments suggest a positive future for Uganda cotton.
- A USAID loan guarantee program, DCA can help with finance to some ginners.
- Ginners are continuing to work to ensure cotton quality; however, improvements are required in farm storage, farm to gin handling, and in proper storage at gins.
- The UGCEA is now organized to strengthen private sector support and leadership for the ginning sector, but in seeking full autonomy from CDO, as some members would wish, it should be done in concert with CDO, the regulatory body for the industry.

#### **Textile and Garment Action Steps:**

- Skill development of labor is underway in the sector via the Tri Star/GOU initiative, but the trained people coming out of the program need to be available to the entire industry.

- Substantial new investments are being made to modernize facilities to produce yarn, and fabric of international standard within the next six months. The private sector will likely continue to modernize further.
- New markets are now being exploited, domestically, and internationally, especially under AGOA where several new apparel orders could increase export sales to US\$ 5 or 7 million within 2003 from the US\$ 9 thousand in 2001.
- GOU export policy assistance has helped the sector develop by making the playing field more level against competitor countries.

## **CONCLUSIONS & RECOMMENDED OPPORTUNITIES:**

The study team's overall position, after interviewing many stakeholders and visiting several facilities at the production, ginning, textile, and garment levels of the industry has concluded that the overall strategy of working from producer to consumer along the commodity system is still valid. However, the emphasis should be on the production of high quality lint to support the producer as well as the textile and garment portion of the business. Business-focused interventions recommended over the next several months include:

- Continuing to expand demonstration plots to ensure continuity and create more awareness among cotton farmers at the national industry level.
- Based on the demonstration plot experience to date, prepare materials that can be used as extension tools to help further reinforce the farmers understanding of the lessons learned.
- The next step up from the demonstration plot program is ensuring that farmers become adopters of the technology they are now being shown; therefore, farmers should initiate the interventions of proper seed, fertilizer, and pesticide use, along with best production practices.
- During the present growing season the GOU has actively worked to form farmer groups that help to concentrate production into larger blocks, similar to those found in Kasese. Further strengthening of these groups is required to improve their effectiveness in the future.
- NARO at Serere (SAARI) is currently implementing several activities that focus on increasing cotton productivity & lint production, there is need to accelerate and strengthen the program for the industry during UTRADE.
- Carry out a detailed technical audit of the countries gins so as to establish a rehabilitation and modernization program. Perhaps this program could be carried out during early work under UTRADE.

Public/Private dialogue opportunities recommended during the next several months include:

- Dialogue between the key representatives of CDO and USAID to ensure better understanding of actions and activities in the cotton cluster.
- The opportunity exists for S07 partners to bring the cotton cluster together for periodic meetings to help strengthen the CSAWG and improve the public/private dialogue.

- Shortly after the start-up of UTRADE a meeting of the CSAWG would be useful to help strengthen the organization of the group and build its role in on-going activities of the sector.

## **II. BACKGROUND, OBJECTIVES, PURPOSE, SCOPE**

### **A. BACKGROUND/INTRODUCTION**

The Government's PEAP provides the long-term goal and policy framework for USAID/Uganda's ISP 2002-2007. Export growth is seen as a *sine qua non* to the GOU's top priority of sustaining economic growth at a level of 7% per annum. The GOU has expanded upon the PEAP by laying out a blueprint for economic growth, which emphasizes developing export competitiveness: the MTCS. The MTCS articulates a number of priority actions to achieve a sustained growth in the order of 7%. Such growth is needed to achieve the GOU's prime goal of reducing mass poverty.

USAID/Uganda is in the process of putting into place a 5-year core activity, UTRADE, to address the needs of Uganda's export sector. UTRADE will build upon the successful results and approaches of the IDEA, CSS and Trade Policy activities of USAID. In addition, strong integration with commercial finance, enabling of the business environment and small business development will be linked to the SPEED program. The primary objective will be to expand and diversify Uganda's export base and penetrate new regional and international markets.

In the interim between the CSS work and UTRADE it is necessary to continue an effective plan of "transitional activity" to ensure continuity of the CSS developed under the USAID/CSS activity. In addition, the STRATEX of GOU is being pursued and it is appropriate to rationalize the CSS against this program.

### **B. OBJECTIVE, PURPOSE & SCOPE**

The objective of this review is to support the USAID/Uganda Mission's continued work in developing the cotton cluster in support of the GOU's economic growth targets during the Mission's period of transition to the new core activities. The review provides information on the current status of implementation by GOU of these sector strategies and initiates a process for continued private-public sector dialogue in the sectors prior to commencement of UTRADE. It is also hoped that recommendations on best practices and lessons learned will be applied to the design and implementation of UTRADE.

The purpose of the assignment set forth in this report is to:

- Review the cotton competitiveness strategies supported by USAID/Uganda under the CSS Project;
- Identify opportunities to further public-private dialogue between the Cotton Cluster and the GOU; and,

- Identify specific implementation activities to further cluster development during the “transition period”.

The specific scope of this assignment is embodied in five (5) tasks and several questions to be answered, which include:

1.) Review the cotton competitiveness strategies for completeness

Evaluate the sector competitiveness strategies previously submitted under the CSS program:

- Are the sector strategies, underlying assumptions, and enabling environment still valid as stated?
- Are the sector strategies being effectively implemented?

If completeness is lacking, advise the Mission on the elements of these strategies that still need to be completed to obtain approval by the cotton cluster and GOU.

2.) Identify opportunities for implementation support by USAID/Uganda SO7 transition activities (IDEA and SPEED)

- Are the transition activity approaches in these sectors consistent with USAID’s “best practices” for a competitiveness program?
- What additional opportunities exist for support of implementation by the Mission’s SO7 transition activities in these specific clusters? Make prioritized recommendations for transition activity partners.

3.) Identify opportunities for transition activities to further public-private dialogue between the cotton clusters and the GOU

- What are the opportunities for public-private dialogue during this transition period that the Mission and the transition activity partners need to support?
- Is there ‘political will’ on the part of the GOU to see the development of the clusters?
- To what extent has the private sector bought-into the cluster concept?

4.) In collaboration with SPEED and/or IDEA or private sector firms, carry out the following specific actions within the sectors

A cotton consultant and a Ugandan counterpart will work with SPEED/IDEA to establish additional demonstration plots for production of quality cotton.

5.) The consultants shall, at a minimum, hold one sector working group meeting



### **III. METHODOLOGY & TEAM COMPOSITION**

To carry out this assignment the Consultants started with an entrance interview with USAID/Uganda and SPEED. The Consultants then initiated an industry wide interview program with cotton cluster members, appropriate government officials, partner organizations, donors, and others that had information of relevance to cotton sector strategies of Uganda. The CSS set out in the “Way Forward” report was reviewed to determine present status, see Appendix A. In addition to this review contact was made with a number of groups and persons involved in the cotton sector, and the list of those interviewed is set out in Appendix B.

In addition to the interviews the Consultants conducted field visits to the major cotton growing areas in Eastern and Western Uganda, where SPEED/IDEA cotton demonstration plots are located, where CDO block farms are being initiated, and where typical cotton production could be viewed and studied. Also, gins, textile and garment mills were visited. While traveling to the East the Consultants went to Serere to visit the cotton research center of SAARI.

In addition to the interviews, and field trips, the Consultants reviewed reference documents provided by USAID, SPEED, CDO, and other organizations. In addition the Consultants utilized earlier materials that were developed during the CSS project. Finally, a CSAWG meeting provided an additional forum for gaining clarification on status of developments related to strategies being pursued in the sector. A list of members attending the CSAWG is set out in Appendix C.

The review team for this cotton sector activity included two Consultants (Dr. Robert E. Lee and Mr. Peter O. Olupot) who have a good understanding of USAID’s history with firm and sector assistance, as well as the theory and implementation of competitiveness.

## **IV. ECONOMIC, POLITICAL AND SOCIAL ENVIRONMENT**

### **A. MACROECONOMIC SITUATION**

Uganda achieved a major turnaround in the 1990s, following sweeping economic and institutional reforms undertaken after 1987 to revitalize its economy. Macroeconomic stability was achieved and maintained with annual inflation rates below 5 percent per year for most of the second half of the 1990's. Average income per capita rose from US\$200 in 1990 to US\$330 in 2000, a sixty five percent increase. There was a significant reduction in the incidence of poverty from 56 percent of the total population in 1992 to 35 percent in 2000. Economic growth averaged 6.8 percent per year during 1992 to 1998. In response to its reforms and solid performance, foreign aid was plentiful, amounting to 53 percent of the total GOU budget, or 13 percent of GDP in 2000.

Much of the success was due to many policy reforms across several important areas of the economy, including finance, taxation, restructuring of parastatals, infrastructural rehabilitation, and re-establishment of security. In spite of the positive developments exports as a percentage of total GDP declined from 11.3 percent in 1996 to 7.7 percent in 2000. The composition of recent export performance highlights the need for focused effort on enhancing competitiveness and diversification of the export sector. While it is true that earnings have declined from traditional exports – coffee, cotton, and tea - since 1996, going from US\$414 million in 1996 to US\$172 million in 2000 traditional exports were still 50 percent of the total. Non-traditional exports– fish, horticulture, hides & skins have performed to offset some, but not all of the decline in traditional exports. Therefore, because traditional and nontraditional exports are subject to commodity price swings every effort should be made to increase exports of both.

It is sometimes believed that poor export growth results because markets are lacking, but this is not the case for cotton. Presently, all the cotton lint produced is exported or used locally. In fact, the GOU has become a signatory to many trade agreements that can help increase exports further. These include:

- The World Trade Organization (WTO);
- The African-Caribbean-Pacific/European Union (ACP/EU) Cotonou Agreement;
- The EC – “Everything but Arms Agreement”. Like all other developing countries, Uganda has unconditional and unlimited access to EU markets;
- The African Growth and Opportunities Act (AGOA);
- The Common Market for Eastern and Southern Africa (COMESA), and
- The East African Community Free Trade Agreement (ECA-FTA).

The market represented by these initiatives for cotton and its value added products can be realized in Uganda by expanding cotton lint production, as well as the production of international standard fabric, and value added garments and other items such as medical and sanitary products made from Ugandan organic cotton. But most important is the expanded production of high quality cotton to increase farmer incomes.

## **B. POLITICAL ENVIRONMENT**

The GOU under its STRATEX is giving full support to the review and adjustment of the policy agenda in eight targeted export sectors including cotton and its related products. Through this initiative, the GOU is working to ensure that funding is made available in support of cotton production (CDO), ginning, research (NARO-SAARI), extension (NAADS) and value-added activities (AGOA Secretariat). Through legislation, GOU has created these support institutions that are playing a critical role in the cotton sector. An additional indication of the positive support coming from GOU is the passing of enactment of required changes to permit Uganda participation under AGOA.

GOU 's MAAIF through CDO is working to provide strong support in the revitalization of the cotton and ginning sub-sectors. For example, CDO has been active in seed distribution (delinting, packaging, and distribution in cooperation with ginners) and is working with ginners to support farmers with agricultural inputs. In 2002 CDO has taken the lead in pushing the concept of block farming to areas of the country outside Kasese. This concept has worked effectively in Kasese and it is hoped that it will help expand production and productivity in other areas. This season CDO established 23 new block farming groups with 2350 acres in 14 districts. CDO has helped to ensure payment for inputs provided to farmers via a cost recovery indicative price to farmers program. While CDO has played a strong and vital role in revitalization of the sector its original regulatory role needs to take precedence in the future to the operational role it has found itself involved with. Some of the operational activities should be the clear domain of the private sector.

The political environment and will of the GOU is continually supportive, and provides a strong basis to build on in not only Uganda, but also Africa.

## **A. SOCIAL**

Cotton has traditionally been one of Uganda's most important export commodities and major contributor to poverty alleviation. Uganda offers an excellent climate and soils for the cultivation of cotton and produces a high-grade fiber of medium-staple. It is a 'bright white' medium/long staple length cotton for which there is a sustained international market that sometimes gains a premium. Thus, it can continue to be important in reducing poverty.

The cotton sector prospered in the 1960s and early 1970s, producing around 86 thousand metric tons (465 thousand bales) at its peak and contributing around 40% of foreign exchange earnings. However, during the period from 1974/75 to 1993/94 external and internal political and economic turmoil dramatically reduced cotton's contribution to economic growth, foreign

exchange earnings, and rural incomes. It now accounts for about 5.5% of the country's foreign exchange earnings.

It is expected that a revival of cotton exports could positively affect the incomes of 15% of the rural population and significantly contribute to the alleviation of poverty. Traditionally it has been second to coffee in providing rural incomes. Additional value-added operations, ranging from spinning, textile and garment manufacturing, edible oils, soaps, and livestock feed would spread income support to another 2 to 3 percent of the country's population in urban areas. Thus, 18% of the country's population will benefit from a revived cotton industry. Also, if garment exports can be expanded under AGOA legislation this income impact could go higher. Thus, the social impact from the sector can be substantial.

## **V. STUDY EVIDENCE/FINDINGS: ASSESSMENT QUESTIONS**

### **A. INTRODUCTION**

As indicated under the methodology described in chapter II of this report the study team conducted numerous interviews with industry stakeholders, reviewed many sector related documents, and carried out field visits. Based on this study work the team has learned much about the present status of actions in the sector since the completion of the CSS project. This chapter focuses on bringing findings of the study forward as an update to prior information and reports. The findings are discussed against the questions raised in the study team scope of work, and focus on all segments of the industry from producer to consumer. They are also discussed in the context of the CSS.

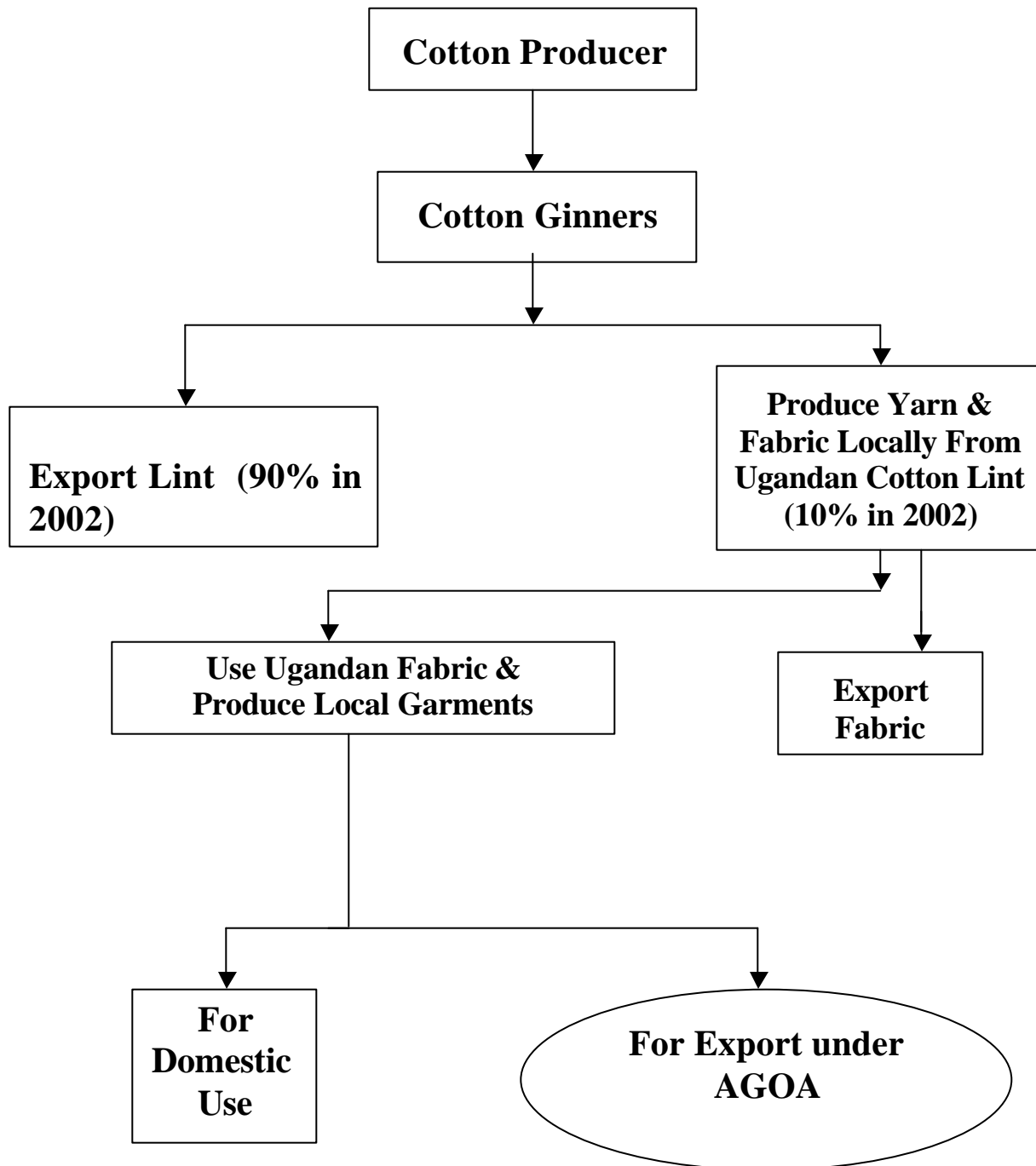
### **B. THE BROAD BASED COTTON STRATEGY**

The cotton sector of Uganda historically focused on vertical integration from producer to end market. After a long period of stagnation, during the period of external and internal political and economic turmoil from 1974/75 to 1993/94, the strategy previously pursued was uncertain. However, the present strategy being pursued by GOU and the private sector for reviving the cotton and textile sector is reestablishment of vertical integration (producer, ginner, spinners, fabrics, garments) of the sector to serve domestic and international markets.

The CSS prepared supports this approach. To accomplish this, two thrusts were considered of immediate focus by the CSS. First, reestablishment of profitable high quality abundant cotton production and its effective ginning to ensure increased incomes to farmers and a good quality fiber for the market. Second, the development of apparel production to meet opportunities offered by domestic and international markets, particularly those offered by AGOA for high quality fabric specialty items. To accomplish this thrust it will be necessary to develop a reliable supply of Uganda produced fabric from its high quality cotton. This is necessary to avoid the high cost of transport to a Uganda location from the port of Mombasa. To import fabric and re-export garments Uganda is at a \$4,000 to \$5,000 per container transportation cost disadvantage when compared to neighboring Kenya. When the first thrust is achieved it will support expanded exports of raw cotton, and the expansion of further processed cotton products. When the second

thrust is achieved it will support strong market outlets for apparel. The combined achievement of these two thrusts will support the further expansion of the yarn, and textile sectors necessary to support the apparel industry and return the industry to a fully integrated competitive business. The integration strategy is shown in Figure 1.

**Figure 1: Schematic of Cotton Sector Strategy**



## **C. PRESENT SECTOR COMPETITIVENESS STRATEGIES**

### **1. Are the Sector Strategies, underlying assumptions, and enabling environment still valid as stated?**

The study team after reviewing the previous stated strategy concludes, based on its review of developments at the production, ginning, spinning, textile, and garment levels of the industry, that the strategy previously developed continues to be valid. Not only that, the study team believes that the strategy GOU is pursuing under the Government Strategic Interventions Program and STRATEX is consistent with the strategy developed by the USAID CSS team. The emphasis in each case is a commodity systems approach, which builds strong linkages between all levels of the industry from producer to consumer. In both cases it is an integrated strategy.

Both the Cotton Strategy developed under the CSS and GOU strategies focus strongly on two key thrusts.

- i) First, reestablishment of profitable high quality abundant cotton production and its effective ginning.
- ii) Second, the development of apparel production to meet opportunities offered by domestic and international markets, particularly those offered by AGOA for high quality specialty items that afford the high cost of transportation from Uganda to the port at Mombassa.

During this review the study team has found that the GOU and the private sector have been advancing against this strategy with substantial effort. The GOU together with international investors has encouraged new investment in the apparel, value added, end of the business. Also, existing textile mills are making new investment commitments that will help them to realize production of international quality yarns and fabric by early 2003. These developments will go a long way toward helping the industry meet the AGOA orders it has committed to supply.

At the same time strong support is being given to cotton production, and increases in farmer income. CDO together with ginners continues to provide support in the supply of quality seed, and coordination of necessary production input delivery, particularly pesticides. Also, to produce quality seed for planting CDO has, until recently, played an active role in support of necessary research required for seed development and multiplication. Recently the coordination and responsibility for cottonseed and other cotton research was fully shifted to NARO. Also, field extension workers are supported to ensure proper use of seed and inputs provided, development of block farming schemes through mobilization and sensitization of farmers, proper production practices, and proper handling of cotton on the farm to ensure quality cotton is delivered to the gin. In addition, SPEED/IDEA through working relationships with ginning enterprises are helping to expose farmers to new production technologies via the implementation of demonstration plots. These efforts complement and help strengthen the GOU efforts to increase the production of high quality cotton that will help raise farmer incomes. While production efforts have moved forward, the goals of the stated GOU strategy will likely fall short of targets, owing to shortfalls in funding support.

In conclusion, the activities going on in the sector are consistent with the strategy stated above. Because industry stakeholders have pursued the two-pronged strategy aggressively the present review has revealed that a shift in emphasis may be required to continue sustained momentum in the cluster. It is the study team view that the private sector, at the value added textile and garment end of the business has taken control and is moving the business forward. The study team recommends that to maintain momentum more emphasis is required at the production end than at the value added end during the next several months.

## **2) Are the Sector Strategies being effectively implemented?**

Sector strategies are broad in nature. For example, the strategy for production is to increase productivity and production of high quality cotton lint in order to increase farmer incomes. To accomplish this several specific actions are required and were set out in the previous CSS work documents, for example “The Way Forward”. Therefore, the answer to the question is that some actions associated with strategies are being implemented effectively, while others are yet to be pursued. Set out in Appendix A is an update of current status related to earlier CSS strategies and actions. Therefore, in this section the attempt is made to discuss how well strategies are being implemented at each level – production, ginning, spinning, textiles, and garments.

### **a) Production:**

With respect to cotton production the study team found that several action steps were being taken and each is discussed below.

- CDO has been implementing the production, delinting/grading and distribution of seed and agricultural chemicals via ginners. The system is getting the job done, but it would be good to see local private stockers begin to assume the distribution role in order to have inputs when and where farmers most need them.
- CDO has been working to establish block farms to increase production, via utilization of their field extension workers and those of the districts. This program was started in 2002, and 23 block farms totaling 2350 acres in 14 districts have been established. Thus, an action that the CSS advocated is being undertaken to develop “nucleus” farms and out grower schemes, but it is premature to say whether or not it is being effectively implemented.
- CDO through this block farming concept and the issuing of published materials, cotton production promotion campaigns, and radio extension bulletins is working to mobilize and sensitize farmers. This effort is having positive benefit as more and more farmers begin to become aware of cottons importance to the country.
- CDO is carrying out a quality control program, which ensures proper handling of cotton at farm level and through to gin. This program continues basically as it did in the past but with greater enforcement. Some quality problems persist at the farm level where farmers do not have good equipment for harvesting, and do not have adequate storage, or transport facilities.
- NARO research efforts e.g. in developing wilt-resistant varieties are progressing, but budgets have been inadequate to realize all aspects of their desired programs. Thus, more



can be done through proper focused support. In addition to the present programs supporting good foundation seed development, research efforts need to be reinforced in the area of disease and pest control when using agricultural chemicals, and this can be strengthened via IPM programs underway.

- The private sector (Ginners) and donors (SPEED/IDEA) assisted in 2002 with demonstration plots-in total nine hundred (900). Of these three hundred (300) are in the East and, six hundred (600) in the West. The farmers that were provided the opportunity to witness these demonstration plots indicate they have learned new technological skills, which they are ready to apply on their own farms. They have observed that yields can be more than doubled. The manner in which the demonstration plots are being implemented is effective, but it is necessary to maintain the program for additional years (at least two) and in a broader number of cotton growing districts. Further training in the off-season could be carried out through the use of videos, workshops and other extension materials. In addition to demonstrating the technology it is now time to ensure adoption by farmers, and this will require input availability at the right place and right time, as well as, financial services to help farmers obtain inputs and generate savings.
- Technical and market information is provided, but much more can be done to improve support of the farmers and ginners. On the technological front it is necessary to prepare information products in simple to understand formats, as well as videos that can be seen and heard so that farmers obtain information that they can understand. Also, on the marketing front, it is necessary to provide the industry and farmers with up to date reliable price information in addition to news about what is going on in the markets so that industry players can make informed decisions.

In conclusion, many actions important to implementation of strategies related to the production sector are being implemented. Several of these actions are insufficient because of funding constraints. As a consequence the forward momentum of the strategies are not as dynamic as originally hoped. For example, it has affected the national scope of demonstration plots, the completeness of the research agenda, and in turn the cotton production objectives.

#### b) Ginning:

With respect to cotton ginning the study team visited several gins and talked to several gin owners and found that several action steps were being undertaken and each is discussed below.

- Gin utilization still remains low at about 30%. It was discovered through interviews and visits, that several gins were making upgrades in their facilities, but more gins need assistance in defining upgrade plans, and an industry technical audit may be appropriate. It may be recalled that the CSS called for a technical audit of Gins, but because of miscommunication the study was not undertaken. In spite of low utilization several new investors of domestic and international repute e.g., Mudu Awulira (Ugandan), Dunavant (USA), Clark (South Africa), and NC Enterprises (India) have entered the industry. These new groups are making investments to upgrade the gins they have bought. Thus, the action strategy of improving gin utilization is gaining attention, but the problem will not be resolved until cotton production increases.

- Another action aimed at the strategy of increasing lint production involved making available improved finance programs that would permit modernization of gins and their storage operations so as to ensure the maintenance of high quality cotton. In recent months new finance programs have been initiated – USAID loan guarantee program DCA operated through seven commercial banks operating in Uganda, CRDB programs, and new monies from new investors. Thus, the ability of gins to obtain financing has improved, but many would say it is not adequate because they would like better access to funds for helping to finance cotton production.
- Ginners play a critical role in ensuring cotton quality because they are the interface between the farmer/cotton purchasing agent and the broad market. If ginners accept bad cotton from any of these suppliers its quality cannot be corrected in the gin and they will suffer price penalties when they deliver lint to the market. It goes to the saying “quality is grown into the cotton” it is not added at other levels in the commodity chain. Thus, the ginner needs to make sure that suppliers are well trained and provided with the necessary materials – hessian squares, jute bags, on farm storage advice, and responsive transportation from the farm to the gin. Ginners are working at doing a better job, but there is still room for improvement, particularly in storage, moisture control, and removal of debris.
- Technical and market information is available to ginners from the UGCEA, buyers, international parent companies, and the Internet. And, most ginners find this to be adequate at the present time. However, if ginners were to develop the most appropriate market strategies supportive of themselves and the Ugandan farmer and textile manufacturer, additional analytical market information would be useful. UGCEA being the umbrella organization for the ginners needs to develop capacity for accessing technical and market information that will permit serving the members most effectively.

The study team has observed that several actions were taken at the ginning level that has helped the industry. However, it is also noted that several actions related to distribution of inputs, control of cotton quality, technical and market information, and technical audits that would help to improve gin efficiency are needed. In spite of these needs, as mentioned, the industry has welcomed new members – domestically and internationally- and this suggests that many investors believe Uganda’s cotton industry is at a turning point and headed for substantial expansion. Further, this investment indicates that these firms are ready to be an engine for take-off.

#### c) Textile & Garments:

With respect to spinning and weaving the study team visited most of the leading participants in the sector. Based on these visits it was found that several of the action steps identified as necessary to support the strategy of expanded production of fabric and garments and their marketing have been realized or are in the process of being realized.

- Improving labor productivity was an action recommended in the CSS, and this is being addressed through training centers that have been established by the GOU in cooperation with Apparels Tri Star. Between June and December 2002 more than 1200 people had participated in these training programs. In addition, other firms in the industry have

conducted their own in-house training activities. Thus, significant progress was made against this strategy, but more can be done to improve the labor situation. Some industry participants have expressed that the training efforts were not equitable because they have focused on an individual enterprise when the effort should go to helping the entire industry. This is particularly true if a large part of the training cost is being supported by the GOU.

- With respect to improving technology in textile mills and garment plants significant progress has been made since the CSS was prepared and presented. For example, Phoenix has been rehabilitating their plant and is about 80% complete; Southern Range Nyanza has an aggressive rehabilitation program underway, whereby the latest spinning technology from Germany is being installed as well as upgrades in the fabric and garment sections of the plant. It is expected that within a few months international caliber fabric will be available to support garment production for local and AGOA export markets. At present these companies use 10 to 15 percent of the cotton lint produced in Uganda. Based on present understandings this could reach 50% of the present cotton lint production within two years. If the production of fabric does increase as indicated it could also go to supply regional markets such as Kenya, and other active AGOA countries in East Africa.
- With respect to garments several investments are being made and several orders have been received to supply buyers under AGOA legislation. The larger investors include Southern Range, Phoenix, and Apparels Tri Star. These investors indicated they would be shipping product to USA buyers by year-end 2002. It is reported by the US Embassy Commercial Office that in 2001 the industry exported \$9,000 worth of apparels. Based on the information obtained from recent interviews with apparel manufacturers it would appear that this could expand to US\$5 to 7 million by year-end 2003.
- In addition to the labor and technical rehabilitation activities that formed a part of the strategy, other actions have also taken place - duty free access to imported raw material, and regulatory and logistical support has helped make it possible to compete against other AGOA suppliers.

As reported the study team observed that the textile and garment strategy has been aggressively pursued by a working coalition between the private sector and the GOU. The GOU has actively helped because increased garment production and sale under AGOA is consistent with the GOU STRATEX. It is believed that the private sector involvement has now reached a stage where garment exports will be primarily driven by the private sector. This is not to say that certain policy adjustments and/or regulatory concerns will not require GOU support. The industry is quickly moving toward the objectives set forth in the CSS and GOU strategies.

### **3) Is Competitiveness Program Consistent with USAID Best Practices?**

The study team believes the “transition activity” approaches being used by the SO7 partners (IDEA/SPEED) in the implementation of sector activities are consistent with USAID’s best practices for a competitiveness program. Currently these partners are implementing 900 demonstration plots via enterprise linkages. This present program is a trial effort and working in cooperation with specific enterprises is a good means for testing the program. If these trial efforts are successful they will then be expanded industry wide. Thus, it is fair to say that what has happened is acceptable since it targets increased production and the development of lessons

learned that could be spread to the wider industry. The intervention approaches recommended are consistent with best practices, as we know them, provided they do get spread to the wider industry.

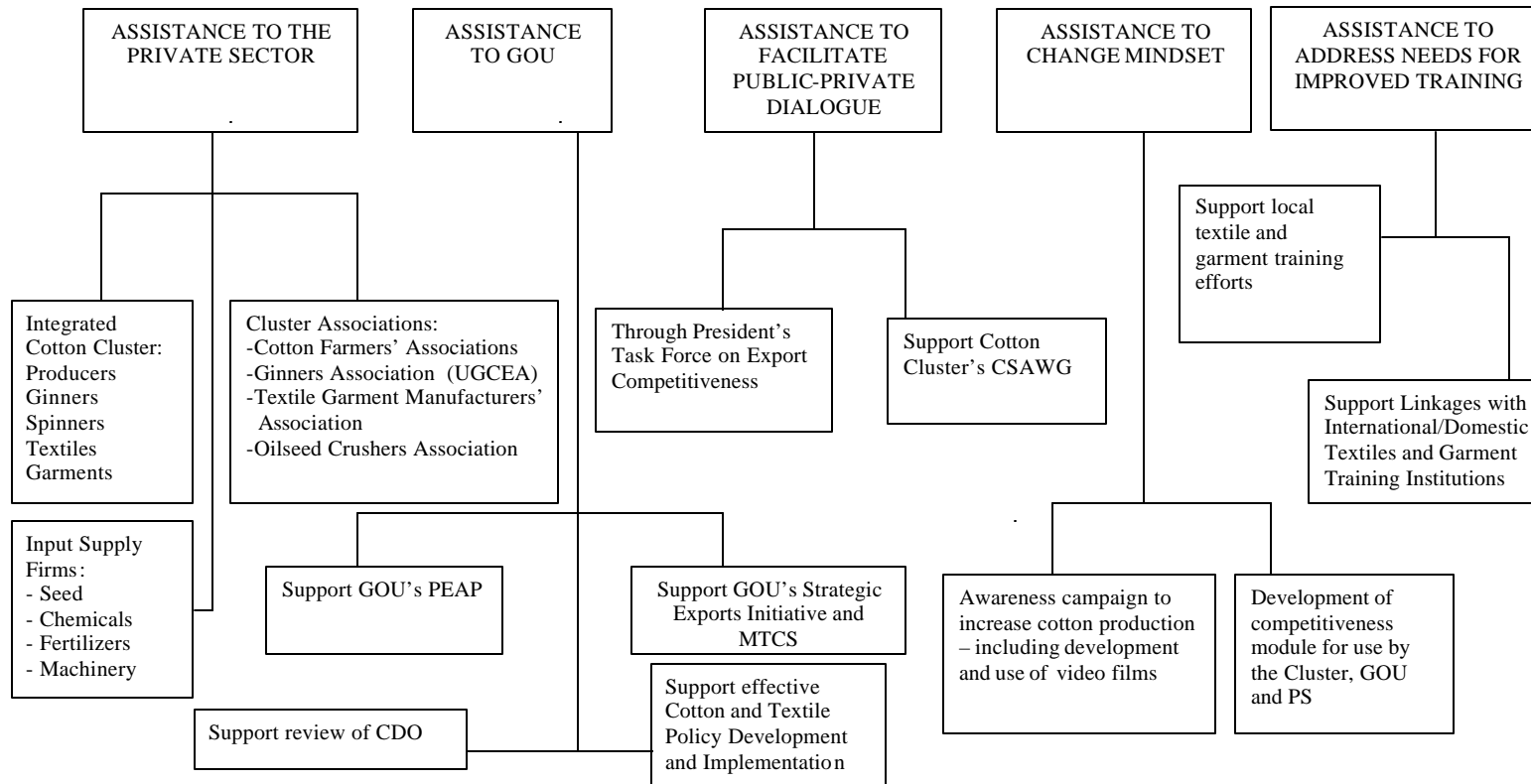
**4) Is there ‘political will’ on the part of the GOU to see the development of the Cluster, and to what extent has the private sector bought-into the cluster concept?**

The cotton cluster includes groups that represent the activities set out in Figure 2. In principal it includes all the groups that are directly and indirectly involved in supporting the sector. For this reason the CSAWG was initiated under the CSS project and a local counterpart of the CSS team actively maintained a relationship with cluster members and convened regular meetings of the group. The cluster includes members from the public and private sector. Members from the participant groups include—producers, ginners, spinners, and textile and garment manufacturers. Members from the GOU – CDO, MAAIF, UIA, NARO, NAADS, etc. have been invited to participate in the Group and many do. It includes groups that come from the service sectors like suppliers of inputs, and processors of the cottonseed. Perhaps there are more groups that should be incorporated into the CSAWG, but it is believed that a good start is in place and can be built on under UTRADE.

The GOU has demonstrated that it is interested in the development of the cotton cluster as it has been participating in the CSAWG meetings in various ways. For example, CDO has been and active participant with industry providing regulatory, coordination, and policy assistance for the sector, as well as quality seed to farmers. The GOU has also supported an active TFEC that is actively working to help identify areas where the GOU can contribute to the development of target export commodities and this group has provided input to the CSAWG. Thus, it seems, because the GOU has set up the TFEC it implicitly gives support to the cluster concept that was promoted by earlier USAID contractors, but more will need to be done to ensure that the CSAWG gets full GOU recognition and support.

Another activity that the cotton review team carried out was convene a meeting of the CSAWG in an effort to provide the group with a summary of what the team had been doing in Uganda during November 2002. Development of the CSAWG was undertaken during the CSS work, but the short-term nature of the project did not permit sufficient time to fully develop the cluster as an autonomous group with its own committed leadership. At the meeting the group was presented with ideas that the review team thought would be good activities to continue and, the ideas were widely accepted and the group offered input for how to implement and expand the interventions in a way that would make them most effective. Also, the meeting provided the opportunity to encourage the cluster to keep the meetings of the cluster going on a

**FIGURE 2: INCREASING UGANDA COTTON COMPETITIVENESS**



regular basis. The group agreed to do so, and the CDO Managing Director indicated that it was within their coordination mandate to bring the industry cluster together for such meetings and that this would be done by CDO until a better option is determined. It is the review teams opinion that the cluster would be more meaningful if the private sector had a stronger role in its leadership. Perhaps a shared co-leadership between the CDO managing director and a respected private sector person would be a good alternative.

It is believed that the GOU and private sector are supportive of the cluster concept, but much more work will be required under UTRADE to get the CSAWG fully accepted, and operating as an autonomous group.

## **VI. CONCLUSIONS & RECOMMENDED OPPORTUNITIES**

The review team's overall position, after interviewing many stakeholders and visiting several facilities at the production, ginning, textile, and garment levels of the industry has concluded that the overall strategy of working from producer to consumer along the commodity system remains valid. To continue growth across the industry a consistent supply of high quality cotton lint will be required, to ensure the value added portion of the industry remains competitive. Also, emphasis on this sector of the industry will help to increase the income of farmers and help alleviate rural poverty. The team still believes that a well equipped technologically up to date spinning, textile and garment sector is important, but at present these sectors seem to be moving ahead under their own private initiative. However, the spinners, textile, and garment firms will need assistance in areas such as regulation, logistics, and policy from GOU to help level the playing field with other international competitors.

To effectively support and provide a USAID presence in the cotton sector during the "transition period" it is the opinion of the review team that focus should be on the opportunities described below. Because the transition period is limited and the nature of SO7 partner (IDEA/SPEED) programs is enterprise focused the team believes that the most effective activities for near term pursuit will be those that help develop and strengthen the cluster from production to ginning and sale of lint. In addition to the business activities a few Public/Private dialogue activities that can be pursued during the near term are also highlighted. The specific interventions are discussed below.

### **1) Business Related Interventions:**

- Continue and expand demonstration plots to ensure continuity as well as create more awareness among cotton farmers at the national industry level. This would build from the present enterprise focus of SPEED/IDEA in restricted areas of the East and West. The review team discussed the cotton demonstration plot situation with the SO7 partners (SPEED/IDEA). It was felt that the small and medium sized farmers, as well as extension agents would like to see the demonstration plot program continued because it is practical and is getting good acceptance. In addition to conferring with SPEED/IDEA the review team visited several demonstration plots in Eastern Uganda near Mbale, Soroti, and Pallisa; and in Western Uganda near Kasese. It was observed that these demonstration plots have had a significant positive impact on the farmers and extension workers. The farmers and extension workers have seen the benefits of some new technological interventions and many are ready to go to the adoption stage. The review team recommends the continuation, and if possible the expansion, of demonstration plots.
- To accomplish national coverage of the demonstration plots it would likely require upwards of 6,000 plots (possible with proper funding) but, since SPEED/IDEA are not funded to provide this activity only, under their present programs, it is anticipated that these SO7 partners will continue with the number of plots that they have been doing in 2002. In fact, SPEED intends to implement 2,700 demonstration plots in 2003. This would cost about \$270,000 at an average cost of \$100/plot. The need for the larger number of plots is because farmers lack transport to see plots far from their homes.



However, because funding resources are limited the number of plots will be less than desired. Thus, the plots must be strategically sited in target regions to gain the greatest benefit. This can be accomplished through expansion of the number of enterprises worked with (e.g., all ginners willing to participate); and, through farmer group structures, such as those associated with block farms, as long as the leadership is present. To be ready for the 2003-growing season the planning and assembly of materials for these plots will need to be undertaken by February 2003 if planting is to occur in the East in May/June, and in the West in July/August. Based on the demonstration plot experience to date teaching materials that will help further reinforce the farmers understanding of the lessons learned from the demonstration plots need to be prepared for use as extension tools. For example, a video was initiated under the CSS project but additional polishing is required to complete it for duplication and use. Also, lessons learned would permit preparation of technical bulletins in simple pictorial terms that can be used as extension bulletins for distribution. Both the video and bulletins could be used in community, off-season farmer training sessions. These activities can potentially be incorporated into a NAADS extension program as well. To use the videos to their fullest advantage mobile video machines would be required.

- The next step up from the demonstration plot program is ensuring that farmers become adopters of the technology they are being shown. To help ensure adoption, means need to be found that make the inputs (seed, fertilizer, herbicides, and pesticides) more readily available to the farmer. Presently farmers walk long distances to obtain the inputs, thus by establishing input stockists nearer to the farmers, or develop a system that ensures that ginners are getting the inputs out to the farmers when they want them may be two initiatives to undertake. Farmers need to be weaned from CDO and ginner subsidy assistance to buying the inputs, and this can be phased in over a couple years. To help farmer's access the inputs it will be necessary to ensure that they have the funds available when required. This may involve setting up savings mobilization programs for farmers, as well as some agricultural credit programs. The programs to provide credit need to be based on solid demand for the inputs, and the detail of how to design the program will need further investigation and development. The programs that SPEED is carrying out can play a part but the establishment of local association credit unions could also be another avenue. It is a good early task for development under UTRADE.
- During the 2002 growing season the GOU via CDO initiative actively worked to form farmer groups that help to concentrate production into larger blocks, similar to those found in Kasese. Further strengthening of these groups is required to improve their effectiveness. The S07 "transition activity" partners (IDEA & SPEED) could help by providing association development assistance, and by working with groups to establish demonstration plots at their block farms. These groups are just getting started with help from CDO and the ginners and the exact intervention mechanism will require specific design.
- NARO at Serere (SAARI) is currently implementing several activities that focus on increasing cotton productivity & lint production. Unfortunately, because of unexpected cut backs in GOU budgets some of the on-going activities important to foundation seed development and multiplication are threatened and the S07 partners could provide very



useful intervention assistance. Dr. Lastus Serunjogi who is also a CSAWG member, and CDO Board member indicated some of the needs that will permit the research center at SAARI achieve its job include:

- Assistance in the obtaining of *germplasm* from Tanzania to help with the development of wilt (fusarium, and verticillium) resistant varieties.
- Finishing the construction and implementation of a mini gin and delinting operation to prepare foundation seed for distribution. This is vital to the countries on-going seed development program.
- Establishment of a mini lab where SAARI can test the characteristics (fiber length, micronaire, etc.) of the cotton they are developing as new foundation varieties. This is important because, for example, when new wilt resistant varieties are developed, the cotton breeders want to be sure the new varieties characteristics are going to be as good or better than the present varieties.
- A screen house is also required for the breeding programs.

The specific assistance required can be elaborated in greater detail by making direct contact with Dr. Serunjogi of SAARI. These infrastructural development assistance activities could well be considered under UTRADE, or the UTRADE team could help get other donors involved.

- The CSS suggested the need for a detailed technical audit of the countries Gins so as to establish a rehabilitation and modernization program. This audit was never carried out but several ginners think it is still a good idea if the industries competitiveness is to be improved. It is suggested that this audit be further discussed with the CSAWG and Ginners to determine present level of interest and readiness to accept such an audit.

## **2) Public/Private Dialogue Related:**

- Dialogue between the key representatives of CDO and USAID will ensure better understanding of actions and activities in the cotton cluster. In addition, another interface where useful dialogue could take place between GOU and USAID would be through meetings with GOU people responsible for the cotton cluster activities of STRATEX. Finally, to maintain an on-going knowledge of what is happening in the cluster a USAID representative should participate in the CSAWG group meetings.
- The opportunity exists for S07 partners to bring the cotton cluster together for periodic meetings of the CSAWG. This helps to maintain the public-private sector dialogue. It also gives USAID the chance to have influence in helping to strengthen the cluster concept and its sustainability. If this can be done it will be directly beneficial to the building enhanced competitiveness in the cotton cluster.

## Appendix A

TABLES SETTING OUT PRIVATE AND GOVERNMENT SECTOR ACTIONS IN THE COTTON CLUSTER (Status Nov. 2002)

SUGGESTED PRIVATE SECTOR ACTIONS	RESPONSIBILITY	CURRENT STATUS (update since June 2002)
<b>Thrust 1: Increase Production of Cotton Lint</b>		
<b>Production Level:</b>		
<i><b>Increase productivity by use of demonstration plots and improved training materials that can be distributed via extension services:</b></i> In 2001 the UCGEA provided support for demonstration plots that the IDEA project helped implement and the results were positive. Also the CSS assisted with preparation of a video film to be used for training farmers. This activity is anticipated for 2002 and beyond.	UCGEA in cooperation with the district extension services as well as possible assistance from donor projects.	Through the support of SPEED/IDEA Projects, 900 demonstration plots were established in 2002; Nyakatonzi Cooperative Union in the West (300) and North Bukedi Cotton Co mpany in the East (600) on cost-sharing basis. The video film is partially complete, but needs to be completed.
<i><b>Increase productivity by enhanced farmer access to inputs:</b></i> The UCGEA and some cotton buyers/dealers have been providing pesticides to farmers. It is anticipated that UCGEA will continue to provide necessary inputs, but also input supply companies will likely work with local stockists as farmer demand for inputs and assurance of repayment from cotton sales develop. With these input distribution systems developed it will permit recovery of costs during the time when seed cotton is marketed, and this practice was used by UCGEA.	UCGEA, cotton buyers/dealers, input supply companies, and local agricultural input stockists	The ginners & CDO continue assisting farmers with inputs especially pesticides and fertilizers at below cost rates. To help farmers adopt the technologies they are being exposed to it will be necessary to develop more local input stockists.
<i><b>Increase productivity through improved cotton research:</b></i> While the focus of research has been with the GOU via NARO the private sector (PS) is prepared to participate in research efforts if the research is focused to address their commercial concerns. Thus, in these cases a matching fund program between GOU and the PS can be established. The PS, particularly input supply firms, including international firms, have indicated interest in helping to develop research activities involving biotechnology. If the GOU permits this type of research the PS is ready to participate.	International input supply firms, UCGEA, and some local textile firms.	NARO coordinates research efforts, and has done a good job with varietal developments. The PS led by MONSANTO is currently in discussions with GOU to carry out research on BT cotton. Thus, progress is being made.

SUGGESTED PRIVATE SECTOR ACTIONS	RESPONSIBILITY	CURRENT STATUS (update since June 2002)
<b>Thrust 1: Increase Production of Cotton Lint (cont.)</b>		
<b>Production Level (cont.)</b>		
<p><b><i>Improve cotton quality through technical assistance aimed at proper harvesting practices and transport of cotton to gins:</i></b> The PS is interested in selling/using high quality cotton; therefore, it is in their self-interest to put in place quality control procedures that will ensure that cotton comes from the farm in proper condition, and continues to be maintained through the post harvest stage of the process. Because the cotton supply has been short for many gins they have tended to be lax in enforcing quality standards. As the supply of cotton increases cotton quality control measures will be rigorously implemented.</p>	UCGEA, cotton buyers/dealers, and textile mills	Ginners play the largest role in control of cotton quality as cotton is delivered to the gins. Emphasis is on moisture, color and foreign matter. Continued effort on ensuring that farmers deliver proper quality cotton needs to be made.
<p><b><i>Promote cotton production on small, medium and large scale farms so as to increase production:</i></b> In addition to increasing the productivity from small farms increasing production can also result from entrance by medium and larger scale organized producers. These larger producers can be “block farms” where many small producers work together or, independently owned larger “nucleus estate” farms where small farmers would work along side looking to the larger farmer as a support organization. Presently, some larger scale farms operate successfully in these ways. To encourage more participation from the PS the investment environment needs to be made attractive. If private investors want to make the commitment to the sector it should be encouraged.</p>	PS investors including ginners, buyers, expatriate farmers, etc.	The PS has supported increased production through direct support to the farmers; provision of funds, inputs especially pesticides and tractors for ploughing. New investors e.g. Clark Cotton has supported farmers in Katakwi in opening two block farms of 2,000acres.
<p><b><i>Technical and market information services:</i></b> This is often a service provided by the PS, but usually it is based on information gathered from statistical sources maintained by government statistical services. Thus, the activity will involve both the PS and the GOU in Uganda.</p>	Information service firms, such as A.C. Nielson, Sparks Companies, Inc.; and/or similar local firms.	Some information is getting to farmers. The PS through the UGCEA is providing farmers with market information on prices. The FM radio stations and the print media provide farmers with agronomic and market information. More can be done.

SUGGESTED PRIVATE SECTOR ACTIONS	RESPONSIBILITY	CURRENT STATUS (update since June 2002)
Thrust 1: Increase Production of Cotton Lint (cont.)		
<b>Ginning Level:</b>		
<i><b>Improve gin utilization and technologies:</b></i> The PS owns most of the gins and as they can afford to, these owners are upgrading the gins technologically and maintaining them in sound condition. They will continue to do so if finance is readily accessible on favorable terms. The PS will utilize the gins more fully as the cotton production rises to supply them or as the industry rationalizes through consolidation.	UCGEA members	Most of the existing gins have been upgraded and several new investors of international repute e.g., Dunavant (USA), Clark (South Africa), and NC Enterprises (India) have joined the sector.
<i><b>Make adequate financing available to ginners:</b></i> The private banking system, and foreign based cotton buyers, and gin owners are involved in helping to finance gins for both capital expenditures and/or working capital requirements. Thus, the PS is helping to provide financial support, but in some cases the conditions may not be favorable. The gins of local owners often do not have as good access to funds as do the expatriate owners; therefore, while the PS provides substantial financial support the need still exists for financing from sources other than owners.	Private banks; gin owners; and cotton buyers from the PS.	Seven private banks through the USAID DCA guarantee program have funds totalling \$30 million to lend to the private sector including ginners and other sector participants. There are also Export Credit Guarantee Scheme administered in two private banks available to ginners. Thus the situation has improved, but more finance will be needed.

SUGGESTED PRIVATE SECTOR ACTIONS	RESPONSIBILITY	CURRENT ACTIVITIES (update since June 2002)
<b>Thrust 2: Expand Production of Fabric &amp; Marketing of Garments:</b>		
<b>Textile &amp; Garment Level</b>		
<b><i>Improve labor productivity in textile mills and garment fabricators:</i></b> The PS should have courses for training their workers, and establish remuneration incentives that encourage greater worker productivity, as well as put in place targets for workers based on experience of the better workers. Also, the mills should work to increase the size of production runs as well as improve the equipment being used.	Textile mills, garment fabricators.	The PS is focussing on training of its workers to improve worker productivity. Apparels Tri Star has so far trained 1,200 workers in garment fabrication. Pheonix and Southern Range too have plans to train their workers. Now improved access to trained people is required. The GOU has also participated.
<b><i>Recapitalize or expand textile mills and garment fabricators as per market requirements:</i></b> In some facilities, such as Southern Range Nyanza and Phoenix substantial refurbishment efforts are underway, but these need to be carried out in more factories of the industry and more quickly. Thus, the PS should give emphasis to investing in proper maintenance of existing facilities and/or constructing new facilities. In addition to PS internal finances external financial resources will need to be made available through local and international banking institutions.	PS investors, and local and international PS financial institutions.	Several new investments are underway. Phoenix has been rehabilitating their plant and is about 80% complete. Southern Range Nyanza is undergoing a three year several million dollar rehabilitation of their spinning technology, fabric finishing, and garment manufacturing capabilities. Also, Apparels Tri Star is making investments in the garment sector.
<b><i>Technical and market information services:</i></b> This is often a service provided by the PS, but usually it is based on information gathered from statistical sources maintained by government; industry associations; and home offices of the operators located in Uganda. The international market information on garment production, demand will likely need to be accessed also via buyers and other industry association groups outside Uganda. Much of the local information may not be useful for serving the export trade.	Corporate headquarter offices; manufacturers associations; and textile and garment buyers.	The textile and garment manufacturers obtain market information on garment production and demand through internet, textile and garment buyers, and the Uganda Textile Manufacturers Association. This serves now, but as the market grows more information will be necessary.

SUGGESTED GOVERNMENT ACTIONS	RESPONSIBILITY	CURRENT ACTIVITIES (update since June 2002)
<b>Thrust 1: Increase Production of Cotton Lint</b>		
<b>Production Level</b>		
<i><b>Increase productivity through use of demonstration plots:</b></i> GOU should provide sufficient budget support to enable the district extension service to work with the PS in ensuring implementation of demonstration plots in each major cotton growing district during the next few growing seasons. Also, full support of the extension service to use training materials developed from demonstration plot work carried by the PS/CDO/IDEA and CSS during the 2001 growing season should be given.	MAAIF, District extension services, and NAADS where it is operating; and CDO.	MAAIF through CDO is providing some support to demo plot development. They have not funded demonstration plots, but provide extension services to the PS to help implement demonstration plots. NAADS program also provides extension services, and in recent conversations indicated a readiness to help spread the word learned from demonstration plots to farmers.
<i><b>Increase productivity by enhanced farmer access to inputs:</b></i> GOU provides the supportive regulatory structure, and tax incentives that will encourage input supply firms to establish fertilizer, pesticide and other critical input centers for farmers when and where needed.	MAAIF, and CDO.	CDO coordinates with ginners in the distribution of inputs to farmers. CDO is also responsible for delinting, grading, treating and supplying planting seeds. But, more demand needs to be created for inputs to interest the PS supply firms in establishing outlets in rural areas.
<i><b>Increase productivity through improved cotton research:</b></i> GOU provides budgetary support via NARO on a matching basis with PS to ensure a long-term research program of varieties, disease, pathology, etc. necessary to ensure the future effective production of cotton and its commercialization. This should be coordinated with the task force presently reviewing the National Agricultural Research System based in Entebbe.	MAAIF, NARO (SAARI), and CDO	GOU supports research through NARO (SAARI). The research efforts in cotton are progressing, but budgets have been inadequate to realize all aspects of their desired programs. Thus, more support for research continues to be required.

SUGGESTED GOVERNMENT ACTIONS	RESPONSIBILITY	CURRENT ACTIVITIES (update since June 2002)
<b>Thrust 1: Increase Production of Cotton Lint (cont.)</b>		
<b>Production Level (cont.)</b>		
<b><i>Promote cotton production on small, medium and large scale farms so as to increase production:</i></b> GOU provide support to increase cotton production on small, medium, and large scale farms by ensuring availability of land for domestic as well as foreign investors, and effective organization of farmers into production blocks like those found in Kasese. Also, support for effective infrastructural access to lands should be ensured.	UIA, MAAIF, CDO, and Ministry of Lands, Water, and the Environment (MLWE)	CDO in 2002 has supported block farm expansion to new regions in an effort to increase production. Presently, 23 block farms totalling 2350 acres in 14 districts have been established. CDO has been mobilising and sensitising farmers to increase cotton production via this and other methods. Large-scale commercial farms are yet to be developed.
<b><i>Make adequate financing available to farmers:</i></b> It is understood that GOU has plans for establishment of a finance program to agriculture and other development activities. It is encouraged that this planned program receives the support necessary for its timely establishment, as it will help the cotton sector.	MFPED, MAAIF and the PMA secretariat	GOU has recapitalized UDB through which cotton farmers could obtain funds, however currently the funds are targeted on manufacturers. Cotton farmers will be catered for under PMA's Rural Financial Services Outreach program, but it is still not operational.
<b><i>Provide strong logistical infrastructure support:</i></b> For this sector as well as others the GOU should put in place incentive programs (investment credits, tax rebates, etc.) that will encourage expanded re-capitalization of rail, road, and other infrastructure important to an efficient logistics system that supports manufacturing and exports, including those of the textile and garment sector.	MFPED, UIA, URA and Ministry of Commerce & Industry (MCI)	The GOU has encouraged new investment in the apparel, value added, end of the business through favourable investment support e.g. policies, rebates and taxes, and this has made a contribution towards modernization. More needs to be done at other levels of the business.

SUGGESTED GOVERNMENT ACTIONS	RESPONSIBILITY	CURRENT ACTIVITIES (update since June 2002)
<b>Thrust 1: Increase Production of Cotton Lint (cont.)</b>		
<b>Production Level (cont.)</b>		
<i><b>Provide proper regulatory support:</b></i> GOU should facilitate the review of CDO to ensure that the present regulatory mandate is the mandate that is still required for the on-going success of the industry. The review could suggest that CDO continue its role in setting and monitoring cotton quality standards; as well as identify new responsibilities of a policy nature.	MAAIF, Presidents Task Force on Export Competitiveness	The present strategy being pursued by GOU under the Government Strategic Interventions Program for cotton is being led by CDO. The emphasis is a commodity systems approach, which builds strong linkages between all levels of the industry from producer to consumer. However, some think CDO's role is more operational than it should be.
<i><b>Technical and market information services:</b></i> The GOU should empower the statistical departments in MAAIF, MFPED, UIA, and CDO to ensure current accurate statistics for the agricultural and manufacturing sectors, including those of cotton, textile and garments.	MAAIF, MFPED, UIA, CDO	The GOU through CDO and MFPED provide some market information to the cotton cluster. The internet, FM radio stations and the print media too provide market information, but more will be required as the industry gains strength.



SUGGESTED GOVERNMENT ACTIONS	RESPONSIBILITY	CURRENT ACTIVITIES (update since June 2002)
<b>Thrust 2: Expand Production of Fabric &amp; Marketing of Garments:</b>		
<b>Textile &amp; Garment Level</b>		
<i><b>Improve labor productivity in textile mills and garment fabricators:</b></i> The GOU should support, strengthen and where necessary add technical training programs that will provide labor with an opportunity to learn skills necessary for effective employment in the ginning, textile and, garment industries. Labor laws should be sure to foster high productivity in the manufacturing sectors, including those of textiles and garments. In addition, the GOU in developing training programs should work together with textile and garment industry when developing the programs. This will help meet standards required by the export market.	Ministry of Labor, Ministry of Education, CDO ginning school,	GOU has been supportive of training programs (funding and premises) for the textile and garment industry. This will help the industry meet standards required by the export market. Now the trained personnel need to be helped in obtaining jobs throughout the sector.
<i><b>Make adequate financing available to textile mills and garment fabricators:</b></i> It is understood that GOU has plans for establishment of a finance program to industry as well as agriculture. It is encouraged that this planned program receives the support necessary for its timely establishment, as it will help the cotton textile, and garment sectors grow.	MFPED, MAAIF and the PMA secretariat	GOU has recapitalized UDB through which cotton farmers could obtain funds, however currently the funds are targeted on the manufacturing end of the business
<i><b>Recapitalize or expand textile mills and garment fabricators as per market requirements:</b></i> For this sector as well as others the GOU should establish a set of programs (investment tax credits, tax rebates on exports, etc.) that will encourage expanded re-capitalization of the export manufacturing sectors including textiles and garments.	MFPED, URA, UIA	GOU supports the development of apparel production to meet opportunities offered by domestic and international markets, particularly those offered by AGOA through favorable investment climate, tax rebates. Progress has definitely been made in recent months.

SUGGESTED GOVERNMENT ACTIONS	RESPONSIBILITY	CURRENT ACTIVITIES (update since June 2002)
<b>Thrust 2: Expand Production of Fabric &amp; Marketing of Garments (cont.):</b>		
<b>Textile &amp; Garment Level (cont.)</b>		
<b><i>Provide strong logistical infrastructure support:</i></b> For this sector as well as others the GOU should put in place incentive programs (investment credits, tax rebates, etc.) that will encourage expanded re-capitalization of rail, road, and other infrastructure important to an efficient logistics system that supports manufacturing and exports, including those of the textile and garment sector.	MFPEd, UIA, URA, and (MCI)	GOU has created a favorable investment climate that supports manufacturing and exports. Active assistance has been provided by the GOU relative to transport.
<b><i>Provide duty free access for imported inputs (cloth, zippers, etc.) used in the production of exports:</i></b> This is a requirement for all export activities, but is particularly important in the textile and garment sectors to take advantage of AGOA.	MFPEd, URA	The GOU has eliminated tariffs on most items that are used in production of products that are re-exported.
<b><i>Provide proper regulatory support:</i></b> The support services provided by CDO should be adequate enough to ensure the textile and garment sectors needs are being fully met.	CDO, MAAIF, and PMA	CDO has the GOU legal mandate to provide regulatory support to the entire cluster including textiles and garment sectors. Its adequacy and focus need to be reviewed.
<b><i>Provide for FDI package that competes with other countries exporting under AGOA:</i></b> GOU via UIA should review the FDI packages identified by COMPETE and offered by other AGOA supplier countries (labor rebates, investment credits, tax rebates, etc.) used to attract new investors to their textile and garment sectors. Based on this a competitive package should be developed for Uganda.	UIA, Presidential TFEC, and URA	Since the work of COMPETE the GOU through UIA has developed FDI packages that can compete with other countries exporting under AGOA. The sustainability needs to be assured by producing local international standard fabric.
<b><i>Technical and market information services:</i></b> The GOU should empower the statistical departments in MAAIF, MFPEd, UIA, and CDO to ensure current accurate statistics for the agricultural and manufacturing sectors, including those of cotton, textile and garments.	MAAIF, MFPEd, UIA, CDO	The GOU through the CDO, MAAIF Planning Dept. and MFPEd provide market information to the cotton cluster. The internet, and the print media too provide market information to the cluster. More will likely be required as the cluster continues to gain strength.

## **APPENDIX B: Contact List Uganda Trip: 11/10/02 to 11/30/02**

### **11/10/02: Sunday**

Started Travel to Uganda

### **11/11/02: Monday**

Traveled all day to Uganda arriving at 24:00 hours. Checked into the Sheraton Kampala Hotel.

### **11/12/02: Tuesday**

**9:30 to 10:15:** Peter Olupot and Robert E. Lee held meeting at Sheraton

**10:15 to 14:30:** Held meeting with USAID/SPEED at SPEED offices, and over lunch.

**Time:** 10:15 to 14:30 noon  
**Contacts:** Ms. Diana Atungire, CTO Trade & Development  
Mr Jeff Levine, Private Enterprise Officer  
**Organization:** USAID  
**Contacts:** Mr. Phil Broughton, COP SPEED  
Mr. Frank Olok-Asobasi, Enterprise Development Officer  
**Organization:** USAID SPEED Project  
**Location:** Shimoni OfficeVillage, 18 Clement Hill, Road  
P. O. Box 26013  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**Time:** 14:30 to 15:30  
**Contacts:** Mr. Frank Olok-Asobasi, Enterprise Development Officer  
**Organization:** USAID SPEED Project  
**Location:** Shimoni OfficeVillage, 18 Clement Hill, Road  
P. O. Box 26013  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**Time:** 15:30 to 17:00  
**Contacts:** Mr. Jack Thompson, SME Advisor  
**Organization:** USAID SPEED Project  
**Location:** Shimoni OfficeVillage, 18 Clement Hill, Road

**Participants:** P. O. Box 26013  
Kampala-Uganda  
Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**11/13/02**

**Time:** 9:00 to 10:00  
**Contact:** Mrs Jolly K Sabune, Managing Director  
**Organization:** Cotton Development Organization, Cotton House  
15 Clement Hill Rd;  
P. O. Box 7018  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**Telephone:** Organization Phones: 256-41-232968; 230309  
Direct Phone: 256-41-236394  
Mobile: 077-756988

**FAX:** 256-41-232975

**e-mail:** [cdo@africaonline.co.ug](mailto:cdo@africaonline.co.ug)

**Time:** 10:00 to 11:00  
**Contact:** Mr. Hans Muzoora, Principal Marketing & Information Officer  
**Organization:** Cotton Development Organization  
Cotton House  
15 Clement Hill Rd;  
P. O. Box 7018  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**Telephone:** Organization Phones: 256-41-232968; 230309  
Mobile: 077- 464710

**FAX:** 256-41-232975

**e-mail:** [cdo@africaonline.co.ug](mailto:cdo@africaonline.co.ug)

**Time:** 11:00 to 11:30  
**Contact:** Mr. Richard Parwot, Chairman  
**Organization:** Cotton Network Ltd. & CDO  
Cotton House  
15 Clement Hill Rd; P. O. Box 1837  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-232968; 230309  
Mobile: 077- 428198  
**FAX:** 256-41-232975  
**e-mail:** [rparwot@yahoo.co.uk](mailto:rparwot@yahoo.co.uk)

**Time:** 11:30 to 12:00  
**Contact:** Mr. Wilburforce Mubiru, National Cotton Coordinator  
**Organization:** Uganda Ginners & Cotton Exporters Association, Ltd.  
Cotton House  
15 Clement Hill Rd;  
P. O. Box 7018  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-232968; 230309  
Mobile: 077- 422627  
**FAX:** 256-41-232975  
**e-mail:** [cdo@africaonline.co.ug](mailto:cdo@africaonline.co.ug)

**Time:** 13:30 to 15:15 pm  
**Contact:** Mr. V. Kananathan, Managing Director  
**Organization:** Apparel Tri Star Garments Factory  
Bugolobi CMB Complex, Old Port Bell Rd  
P. O. Box 10497  
Kampala, Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-348290/91/92  
Mobile: 077- 075 751202  
**FAX:** 256-41-346470  
**e-mail:** [vkananathan@hotmail.com](mailto:vkananathan@hotmail.com)

**Time:** 15:30 to 17:00  
**Contact:** Mr Peter Otimodoch, Project Manager/Executive Director  
**Organization:** Cotton Association Development Advisor  
UCA Building 1<sup>st</sup> Floor, Plot 47/49 Nkrumah Rd.  
P. O. Box 26357  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** 256-41-342504  
Mobile: 077-442962  
**FAX:** 256-41-342504  
**e-mail:** [oilseed@starcom.co.ug](mailto:oilseed@starcom.co.ug)

**11/14/02**

**Time:** 9:00 to 10:00  
**Contact:** Mr. Mark Wood, Field Crops Advisor  
**Organization:** Agribusiness Development Center (IDEA Project)  
Plot 18, Prince Charles Drive  
P. O. Box 7856  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-255482  
Mobile: 071-638476  
**FAX:** 256-41-250360  
**e-mail:** [mark-adc@starcom.co.ug](mailto:mark-adc@starcom.co.ug)

**Time:** 10:00 to 11:15  
**Contact:** Mr. Geoffrey A. Onegi-Obel, Senior Presidential Advisor  
**Organization:** AGOA Country Response Office (AGO & TRADE)  
9<sup>th</sup> floor, Southern Wing  
Workers House  
P. O. Box 25497  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41- 343222, 343269  
Mobile: 077-695826  
**e-mail:** [negiobel@starcom.co.ug](mailto:negiobel@starcom.co.ug)

**Time:** 11:30 to 12:15  
**Contact:** Mr. Christopher Kigenyi, Credit Analyst Cotton  
**Organization:** Standard Chartered Bank  
5 Speke Road, P. O. Box 7111  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41- 258211/7  
Mobile:  
**FAX:** 256-41-347664  
**e-mail:** [Christopher.Kigenyi@ug.standardchartered.com](mailto:Christopher.Kigenyi@ug.standardchartered.com)

**Time:** 13:45 to 15:30  
**Contact:** Mr. Ddamulira Ssembajjwe, Factory Manager  
**Organization:** PHENIX Logistics (UGANDA) Ltd.  
100-102 5<sup>th</sup> street; Industrial Area  
P. O. Box 4378  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41- 344227; 344379  
Mobile:  
**FAX:** 256-41-344162  
**e-mail:** [phenix@utlonline.co.ug](mailto:phenix@utlonline.co.ug)

**Time:** 16:00 to 17:00  
**Contact:** Mr. Kandarp Kinariwalla, Director  
**Organization:** SOUTHBASE AGRO INDUSTRIES LTD  
Busolwe Ginnery & Jaber Ginnery  
P. O. Box 22787  
Kampala-Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41- 343563  
Mobile:  
**FAX:** 256-41- 343563  
**e-mail:** [kkuganda@hotmail.com](mailto:kkuganda@hotmail.com)

**11/15/02**

**7:00 a.m. to 12:00 noon:** Traveled to Serere to visit the Serere Agriculture & Animal Production Research Institute (SAARI); the lead cotton research institute in Uganda.

**Time:** 12:00 to 14:30

**Contact:** Dr. Lastus Serunjogi, Acting Director  
**Organization:** SAARI  
P. O. SOROTI  
Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Dr. Thomas Areke, Cotton Breeder  
Dr. George Epieru, Cotton Entomologist  
Mr. Solomon Ogwal, Cotton Entomologist  
Mr. Pius Elobu, Cotton Agronomist  
Mr. Henry Olupot, Soroti District Cotton Extension Coordinator  
Mr. John Darlington Alok O Maria, Soroti CDO Coordinator  
**Telephone:** Organization Phones: 256-45- 61192  
Mobile: 077-602553  
**FAX:** 256-45- 61444  
**e-mail:** [saaridir@infocom.co.ug](mailto:saaridir@infocom.co.ug)

14:30 to 16:30: Field visits

**16:30 to 18:45:** Traveled from Serere back to Mbale where the night was spent

**11/16/02**

**8:30 to 9:00:** Traveled from Mbale to IKI IKI Ginnery, which belongs to North Bukedi Cotton Co.

**Time:** 9:00 to 11:00  
**Contact:** Mr. Charles Olweny, Manager  
**Organization:** North Bukedi Cotton Co. IKI IKI Gin  
P. O. Mbale  
Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Mr. Frank Olok-Asobasi, SPEED Project  
Mr. David Lusesa, IDEA Project  
Mr. Omega, Pallisa District CDO Coordinator  
Field Extension Worker, District Extension Service  
**Telephone:** Organization Phones:  
Mobile:



**Time:** 11:00 to 13:00  
**Contact:** Mr. Farmer Boma, Chairman  
**Organization:** Block Farm Kadimukoli  
P. O. Mbale, Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Mr. Frank Olok-Asobasi, SPEED Project  
Mr. Omega, Pallisa District CDO Coordinator  
Mr. Farmer, Vice Chairman

**Time:** 13:00 to 15:15  
**Contact:** Mr. Gabriel Etolim, Kumi District CDO Coordinator  
**Organization:** Block Farm Akimeng Kolir  
P. O. Bukedea, Kumi  
Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Mr. Kokas Opejo, Bukedea County Extension Coordinator  
**Telephone:** Organization Phones:  
Mobile: 077-408078 (Gabriel Etolim's)

**Time:** 15:15 to 16:50  
**Contact:** Mr. Gabriel Etolim, Kumi District CDO Coordinator  
**Organization:** Dr. J. Peter Esele's Farm, Kakere  
P. O. Bukedea  
Kumi, Uganda  
Dr. Esele is Member of Parliament, former SAARI & CDO  
Director  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Mr. Kokas Opejo, Bukedea County Extension Coordinator  
**Telephone:** Mobile: 256-77-601912  
**e-mail:** [pesele@parliament.go.ug](mailto:pesele@parliament.go.ug)

**16:50 to 17:45:** Returned to Mbale for the night

**11/17/02**

**9:30 to 11:15:** Traveled from Mbale to Jinja

**Time:** 11:15 to 13:00  
**Contact:** Mr. Viren Thakker, MD  
**Organization:** Southern Range Nyanza, Ltd  
Njeru Township  
P. O. Box 1025  
Jinja, Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-43-121082  
Mobile: 256-77-200430  
**FAX:** 256-43-123151  
**e-mail:** [nytil@infocom.co.ug](mailto:nytil@infocom.co.ug)

**16:50 to 17:45:** Returned to Kampala from Jinja

**11/18/02**

**9:00 to 10:00:** Making arrangements for meetings

**Time:** 10:00 to 11:15  
**Contacts:** Ms. Diane Atungire, CTO Trade & Development  
Mr Jeff Levine, Private Enterprise Officer  
**Organization:** USAID  
**Location:** Sheraton Kampala Hotel  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Mr. Andrew Kaelin, Fish Sector Advisor (USAID Consultant)  
Mr. Pius Kwesiga, Aquaculturalist (USAID Consultant)

**Time:** 11:15 to 13:00  
**Contacts:** Ms. Lucia C. Verrier, Economic and Commercial Officer  
**Organization:** US Embassy Kampala  
**Location:** 1577 Ggaba Rd., Nsambya  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-259791/2,3,5  
Mobile:  
**FAX:** 256-41-259794  
**E-mail:** [verrier@state.gov](mailto:verrier@state.gov)

**Time:** 13:00 to 14:00  
**Contact:** Mr. Richard Parwot, Chairman  
**Organization:** Cotton Network Ltd. & CDO  
Cotton House  
15 Clement Hill Rd;  
P. O. Box 1837  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-232968; 230309  
Mobile: 077- 428198  
**FAX:** 256-41-232975  
**e-mail:** [rparwot@yahoo.co.uk](mailto:rparwot@yahoo.co.uk)

**Time:** 14:00 to 15:00  
**Contact:** Mr. Peter K. Ngategize, Advisor (PMA)  
**Organization:** Ministry of Finance, Planning & Economic Development  
Plan for Modernization of Agriculture (PMA)  
Treasury Building, Room G-37  
P. O. Box 814  
Kampala-Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-349806  
Mobile: 077- 731485  
**E-mail:** [planmodel@infocom.co.ug](mailto:planmodel@infocom.co.ug)

**15:00 to 16:30:** Participated in a conference on the subject of Poverty and Social Impact Analysis: Strategic Exports Initiative. The meeting was held at the International Conference Center, and was chaired by Mr. Keith Muhakanizi.

**11/19/02**

**9:00 to 3:30:** Entire day in the Cotton Sector Strategic Intervention Discussions at the International Conference Center.

**3:30 to 5:30:** Working with Peter to prepare the letter that we would send to the CSAWG.

**11/20/02**

**6:30 to 12:30** Travel to Kasese for cotton sector field visits

**Time:** 12:00 to 14:15

**Contact:** Mr. Mustapha Kabigumira, Chairman

**Organization:** Kyambura Farming CO-OP Society Ltd.  
P. O. Box 814  
Kyambura, Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Mr. Bainomugisha Pearson, Secretary Manager (CO-OP Society)  
Mr. Dennis Kaijabahoire, (SPEED Cotton Demo Plot Manager)  
Mr. Wilson Nyabutundu, (COO Nykatanzy Gin, Kasese)  
Ms. Pelgia Nyamarwa, (Nykatanzy Gin, Kasese)

**Time:** 15:45 to 17:15

**Contact:** Mr. Amdan Khan, Director

**Organization:** Rwenzori Cotton Ginners Co. Ltd  
P. O. Box 164  
Buruli Lane – Mbarara Highway  
Kasese, Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**Telephone:** Organization Phones: 256-0-483-44475  
Mobile: 077-422 492

**Fax:** 256-0-483-44713

**11/21/02**

8:00 a.m. to 2:30 p.m.: Field visits to several demo plots, block farms, gins and related activities in the Kasese Region.

**Time:** 12:00 to 14:15

**Contact:** Mr. Dennis Kaijabahoire, SPEED/Nyakatonzi (Cotton Demo Plot Manager)

**Organization:** Nyakatonzi Cooperative Union, Ltd.  
P.O. Box 32  
Kasese, Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

Mr. Gerry McGahan, Food for Poverty Reduction (USAID Consultant)

Mr. Michael Fields, Office of EGAT/ME, USAID/DC

Mr. Mark Wood, Field Crops Advisor, IDEA Project

Mr. Jackie Wakhweya, USAID CTO SPEED

Mr. Frank Olok-Asobasi, Enterprise Development Officer, SPEED

Mr. Adam Bwambale, Secretary Manager, Nyakatonzi Gin, Kasese

Mr. Wilson Nyabutundu, COO Nyakatonzi Gin, Kasese

Ms. Pelgia Nyamarwa, Agricultural Technician, Nyakatonzi Gin, Kasese

**Telephone:** Mobile: 077 486575

2:30 p.m. to 8:30 p.m.: Travel from Kasese back to Kampala

**11/22/02**

**Time:** 14:30 to 15:30

**Contact:** Dr. Joseph Oryokat, Technical Services Manager

**Organization:** National Agricultural Advisory Service (NAADS)

Plot 39 A

Lumumba Ave.

P. O. Box 25235

Kampala, Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)

Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)

**Telephone:** Organization Phones: 256-41-345440

Mobile: 077-200261

**Fax:** 256-41-347843

e-mail : [naads@utlonline.co.ug](mailto:naads@utlonline.co.ug) (office)  
[joryokat@yahoo.com](mailto:joryokat@yahoo.com) (personal)

**11/23/02:** Analysis & Report Writing

**11/24/02:** Analysis & Report Writing

**11/25/02:**

**Time:** 15:00 to 16:30

**Contact:** Dr. Willie O. Odwongo, Director

**Organization:** Plan for Modernisation of Agriculture (PMA)

Plot 39 A

Lumumba Ave.  
P. O. Box 25235  
Kampala, Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Organization Phones: 256-41-252263/4  
Mobile: 077-461163

**11/26/02:**

**Time:** 8:00 to 9:00  
**Contact:** Ms. Diana Atungire, CTO USAID  
**Organization:** USAID Kampala

42 Nakasero Rd.  
P. O. Box 7856  
Kampala, Uganda  
**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Mobile: 077-441144

**Time:** 11:00 to 12:00  
**Contact:** Mr. Adam Bwambale, Secretary Manager  
**Organization:** Nyakatonzi Cooperative Union, Ltd.  
P.O. Box 32  
Kasese, Uganda

**Participants:** Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
**Telephone:** Mobile: 077-486575

**11/27/02:**

8:30 to 14:30: CASWG working group meeting held at CDO. Appendix B sets out the full list of attendees.

**Time:** 16:00 to 18:30  
**Contact:** Ms. Vicky Moore, Mission Director  
**Organization:** USAID  
42 Nakasero Rd.  
P. O. Box 7856  
Kampala, Uganda  
**Participants:** Ms. Diana Atungire, CTO Trade & Development  
Mr. Jeff Levine, Private Enterprise Office

**Telephone:** Mr. Paul Crawford, Team Leader, Sustainable Economic Growth  
**FAX:** Strategic Objective  
Mr. Greg Booth, Environmental Office  
Mr. Walter Welz, Food for Peace Officer  
Dr. Robert E. Lee, Cotton Sector Advisor (USAID Consultant)  
Mr. Peter O. Olupot, Cotton Sector Specialist (USAID Consultant)  
Telephone: 256-41-258983/4/5/7  
256-41-233417

**11/28/02:** Finishing Draft Reports

**11/29/02:** Finishing Draft Reports  
R. E. Lee Traveled back to the US

## APPENDIX C:

### List of Attendees at CSAWG Meeting 11/27/02 **COTTON SECTOR ADVISORY WORKING GROUP**

#### **LIST OF MEMBERS WHO ATTENDED WORKING GROUP MEETING ON NOVEMBER 27, 2002 AT COTTON HOUSE**

NAME	ORGANIZATION	TELEPHONE	REMARKS
1. Patrick Oryang	UGCEA (Lango Coop Union)	077 590860	Member-Representing Ginners
2. Frank Olok-Asobasi	SPEED	077 860752	Member-SPEED
3. Ralph Chaffee	SPEED	077 752618	Member-SPEED
4. Jolly Sabune	CDO	077 756988	Member-CDO
5. Gerry McGahan	ABT	-	-
6. Okello Ocerro	UGCEA	071 785390	Member-Representing Ginners
7. Richard Parwot	Farmer/Chairman CDO	077 428198	Member-Representing Framers
8. Adam A. Bwambale	UGCEA (Nyakatonzi Coop Union)	077 486575	Participant –Representing Ginners
9. Diana Atungire	USAID	077 441144	-
10. Jeff Levine	USAID	-	-
11. Robert E. Lee	Consultant	077 524730-	-
12. Thomas E. Areke	NARO/SAARI	077 584039	Participant Representing Dr. L.Serunjogi
13. Y. Kashiwada	Phenix	077 725996	Member-Representing Textile/Garments
14. Peter O Olupot	Consultant	077 457675	-
15. Wilberforce Mubiru	UGCEA	077 422627	Participant-Representing UGCEA
16. Frank O'Brien	IDEA	071 586771	Participant-Representing Mark Wood
17. Damalie Lubwama	CDO	041 230309	Participant Representing Hans Muzoora
18. Kandarp Kinariwala	UGCEA (Southbase Agro)	077 725626	Member-Representing Ginners
19. Kenneth Kerere	Southern Range Nyanza	077 855840	Participant-Representing Viren Thakker
20. Peter Otimodoch	UOSPA	077 442962	Member-Representing Oil Millers